Samba Feeder A/S

Malmøgade 3, 1, 2100 København Ø

CVR no. 31 27 80 07

Annual report 2016/17

Approved at the Company's annual general meeting on 12 January 2018

Chairman:

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Building a better working world

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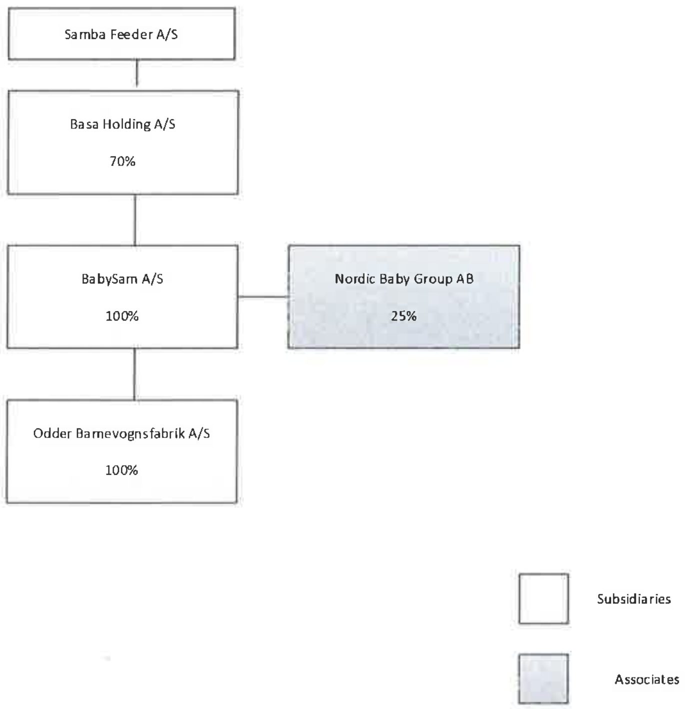
Management's review

Company details

Name	Samba Feeder A/S
Address, zip code, city	Malmøgade 3, DK-2100 Copenhagen Ø
CVR no.	31 27 80 07
Established	28 February 2008
Registered office	Copenhagen
Financial year	1 October – 30 September
Board of Directors	Jan Johan Kühl, Chairman Niels-Christian Worning Karl Tommy Wikström Johan Gustaf Olof Bjurström
Executive Board	Niels-Christian Worning
Auditors	Ernst & Young Godkendt Revisionspartnerselskab Osvald Helmuths Vej 4, DK-2000 Frederiksberg

Management's review

Group chart



Management's review

Financial highlights for the Group

DKK'000	2016/17	2015/16	2014/15	2013/14	2012/13
Key figures					
Revenue	476,928	439,380	386,755	365,827	379,491
Gross profit	128,328	113,333	94,765	87,016	71,339
EBITDA	26,681	16,743	4,498	-1,354	-19,283
Normalised EBITDA	30,453	22,064	6,199	422	-12,183
Operating profit/loss	19,681	10,364	-1,346	-7,247	-26,939
Profit/loss from financial income and expenses	-473	-181	-371	-74	34,428
Profit/loss for the year	22,579	17,552	2,243	-5,411	8,583
Non-current assets	49,879	43,406	34,665	37,624	38,083
Current assets	193,428	161,514	132,566	114,158	124,619
Total assets	243,307	204,920	167,231	151,782	162,702
Share capital	2,890	2,890	2,890	2,890	2,890
Equity	97,952	75,373	59,057	56,814	62,367
Provisions	113	175	175	275	225
Non-current liabilities other than provisions	2,214	2,559	2,900	3,216	3,529
Current liabilities other than provisions	101,273	94,651	81,958	69,310	72,328
Cash flows from operating activities	24,533	28,677	14,776	8,064	-19,781
Cash flows from investing activities	-13,471	-15,122	-2,693	-5.413	-1,224
Portion relating to non-current assets	-11,802	-9,503	-2,384	-4,259	-530
Cash flows from financing activities	-340	358	-310	-348	17,942
Total cash flows	10,722	13,913	11,773	2,303	-3,063
Financial ratios					
Operating margin	4.1%	2.4%	-0.4%	-2.0%	-6.8%
Gross margin	26.9%	25.8%	24.5%	23.8%	18.8%
Solvency ratio	40.3%	36.8%	35.3%	37.4%	38.3%
Return on equity	26.1%	26.1%	3.9%	-12.5%	-96.9%
Average number of full-time employees	270	259	257	278	281

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios". For terms and definitions, please see the accounting policies.

Management's review

Ownership structure

The shares in Samba Feeder A/S are held by P-BS 2008 A/S (50 %) and Golden Eye A/S (50 %).

The Group's key activities

The principal activity of the Company is to own the shares in BaSa Holding A/S, which is the parent company of BabySam A/S.

BabySam A/S operates stores that sell and rent out baby equipment as well as products for both mothers and children. In addition, BabySam operates a web shop, www.babysam.dk, which sells baby equipment to accommodate customers' need to be able to shop at all hours.

BabySam imports a considerable share of its range of products for babies and also owns Odder Barnevognsfabrik, which produces prams for the Danish market. Some of BabySam's revenue is generated by sales to municipal and private day care institutions in Denmark.

In addition, the Group is co-owner of Nordic Baby Group AB.

History

Before BabySam was grouped in a capital chain, it consisted of a number of independent stores. They were typically family-owned and operated based on the owner's passion for baby equipment. In 2008, the stores were grouped under the common name BabySam and through acquisition were gathered under the ownership of Polaris and AAC. This ownership structure is still in place.

Today, BabySam has 30 stores across Denmark. The stores are operated collectively as a chain from the head office in Rødovre. Moreover, BabySam has its own webshop, BabySam.dk. In addition to providing customers with easy shopping, the website contains information on BabySam, stories as well as tips and tricks, and where customers can find the nearest BabySam store.

Moreover, BabySam owns Odder Barnevognsfabrik. For more than 90 years, the company has manufactured quality baby prams and provides some of the most popular baby prams in Denmark. BabySam is exclusive dealer of Odder.

Finally, BabySam engages in business-to-business sales (B2B) and is among the top five suppliers to public institutions and the day-care sector in Denmark.

BabySam's products

BabySam carries a market-leading product range with top-of-the-line international and Danish brands as well as a strong portfolio of own brands, including Odder, Holly's, MyBaby, BeKids and Scandia.

BabySam's employees

One of the keys to our success is the honest and professional guidance we provide, and we are honoured by the confidence our customers show us. This is only possible thanks to our dedicated employees' work, their interest in our customers and their highly professional skill set. Consequently, continuing training, development and regular customer satisfaction surveys are important parts of our DNA.

At BabySam, we make a point of rewarding our employees for their skills and dedication. Thus, the majority of our store managers have been recruited via internal development and promotions. This ensures continuity, stability and professional expertise and guidance at a consistently high level. We appreciate that our employees develop throughout their career with us, and we prefer to recruit from internal ranks when filling management positions. In 2016/17, we filled almost half of our vacant management positions via internal recruitment. We are proud of this continuity, and we expect it to continue.

BabySam's Management and central functions are located in Rødovre. At the end of the financial year in September 2017, we had 270 employees, which is an increase of eleven people compared to the same period in the previous year.

Management's review

CENTRAL EVENTS IN THE YEAR

BabySam increased revenue to DKK 477 million in 2016/17. The increase amounts to 9% compared to the previous financial year and is attributable to the sales increase in the entire business, i.e. stores, webshop and B2B segment. The positive development entailed a normalised EBITDA of DKK 31 million, which corresponds to an increase of more than 40%. In the last three financial years, the Company has increased normalised EBITDA by more than 400%.

BabySam increased its market share further in the financial year. The growth is attributable to an increased level of activity in the stores and a strengthened effort online, where the growth rate was more than 20%. The increased growth online has entailed that the share of Click & Collect online orders has increased to more than 30%, and it has thus increased the traffic in stores and helped underline BabySam's omnichannel strategy.

BabySam continued to optimise the Company's stores by means of relocation and refurbishment, which has contributed to the positive development. Going forward, we will focus on expansion in Copenhagen and Aarhus, the best Danish shopping centres and other selected areas across Denmark.

BabySam's webshop continued its progress in the financial year and, together with the stores, created a more integrated shopping experience. The development of the webshop is a big help for parents of small children as well as grandparents, who either find it difficult to find time for both childcare and shopping or who just prefer to shop online independent of opening hours.

Moreover, BabySam realised considerable growth in B2B sales with specific focus on municipalities and the day-care sector. BabySam offers this market special Odder models, bicycles, furniture and a range of baby textiles and toys. The development in the B2B market was again positive and very satisfactory following high growth rates in the previous financial year. BabySam realised a growth rate of 42% for this business segment. The trend is expected to continue due to active collaboration with the municipalities to further develop the tailored product range.

In this financial year, BabySam's Management focused on executing our future strategy, continuing the positive commercial development and optimising store structure.

- BabySam has consistently followed its strategic course with a full-toned omnichannel strategy ensuring that the customer always comes first, both online and in our stores. The strategy is a continuation on the online presence established several years ago. Together with a strong store culture and offers of professional guidance and service, it should strengthen BabySam's market position further.
- BabySam has initiated a comprehensive technological update to support the omnichannel strategy from head office to customer. The technology programme will be effected over the coming year but we are already working on a new customer platform and a new online platform that will be launched in December 2017.
- In terms of stores, the optimisation has been substantial again this year. We have opened a new store in Frederiksberg, relocated two stores in Jutland and one store in Zealand to more up-to-date premises. The restructuring and the continued improvement of efficiency contributed to improve traffic to stores and reduced the Group's costs. It also contributed to the overall operational improvement. We have entered into contracts for two new store that we expect to open in 2017 and 2018, respectively.
- Another BabySam City store was opened in December 2016 and has been a great success. This confirms the raison d'etre of small stores that can provide the best product range in the market thanks to a strong online product portfolio.
- In close cooperation with existing and new suppliers, BabySam has improved its product range and presented a number of new products, interesting activities and good deals. The close cooperation will continue in the coming years.
- BabySam's large catalogue is still a very attractive tool for families with small children, and it is increasingly used together with BabySam.dk. The two tools provide consumers with an overview of the large selection and many good deals.

Management's review

- A new BabySam card was introduced in the financial year. It offers the holder interest-free no-cost credit for up to 6 months. The card was introduced as another service to make it easier and more carefree for our customers to become parents.
- As part of the Company's strategy, BabySam has strengthened its own and exclusive products and brands. For instance, we have acquired the Holly's trademark, which is one of the strongest and most tradition-bound organic children's clothing brands in Denmark, and we have developed the new brand My Baby Wear. Both brands contributed positively to the profit for the year. We will strengthen our focus on expanding our Private Label offers with quality products at affordable prices. Holly's is expected to play a decisive role in this connection.

FINANCIAL DEVELOPMENT

In recent years, we have experienced an increasing demand for baby equipment in the Danish market, a trend that is primarily due to an increasing number of newborns as well as increased consumer optimism in a continuously competitive market. In spite of this fact, BabySam's growth has been considerable. The market trends have been even more significant for some of our product lines, which positively affected the overall business further.

Development in activities and financial position

The Group's revenue amounted to DKK 477 million (2015/16: DKK 439 million) in the financial year.

The Group realised growth in revenue of 9%. Based on price trends in the retail market in general and the development in the number of newborns specifically, it is our assessment that BabySam has won significant market shares again this year.

The realised growth is primarily organic, but also the opening of a new store in Frederiksberg and the relocation of stores to better locations have contributed positively.

Profit before depreciation and amortisation, net financials and tax (EBITDA) amounted to DKK 26.7 million. During the year, we have performed a number of special activities to strengthen BabySam's Management, technological footprint and store structure. This entailed non-recurring costs totalling DKK 3.7 million. The normalised EBITDA thus amounts to DKK 30.4 million, an improvement of DKK 8.4 million compared to the previous financial year.

The Group's earnings measured by EBITDA have improved significantly compared to last year. The improvement is due to increased revenue, better campaign and purchase conditions as well as optimisation of the Company's cost level.

The development in sales and earnings was as expected in the financial year.

At year end, the Group's assets amounted to DKK 243 million, and equity amounted to DKK 140 million.

Outlook

The number of newborns is expected to continue to grow in the coming year as a result of the demographic trend.

The ongoing changes in BabySam's store structure, implementation of new technology, the employees' hard work and continuing professionalisation of the commercial processes at head office are expected to increase the numbers of customers and sales.

The changes in the web platform and updates to the ERP system and POS solutions will create a omnichannel profile for BabySam. This will give the customers a better overall experience in the stores as well as online while the suppliers will be able to present an even better range of products.

The cooperation with BabySam's suppliers will focus in the coming year on creating even closer relationships, on introducing several new and unique products and on improving trading terms with a number of key suppliers.

All in all, the Group expects that revenue and earnings will improve in the coming year compared to 2016/17.

Management's review

Events after the balance sheet date

BabySam opened a new store in Rødovre Centrum on 15 December 2017 and has signed a contract for new premises in Jutland.

INFORMATION ABOUT THE COMPANY

Corporate Governance

The principal owners, Polaris Private Equity and AAC Capital, are both represented on the Board of Directors.

The Board of Directors held six board meetings during the financial year, including a 2-day strategy seminar and a telephone conference. Moreover, a number of meetings regarding other subjects were held. The share of women on the Board of Directors in Samba Feeder is 20%. This percentage has not changed during the financial year.

The Group Management prepares monthly financial reports and regularly follows up on identified deviations from either expected or budgeted levels. Inventory counts are carried out once or twice annually in all stores to ensure that the inventory value has been determined correctly. Moreover, local counts are carried out if deemed necessary. For the purpose of managing and following up on liquidity, periodic cash budgets are prepared based on current expectations for sales and estimated movements in inventories and creditors. The development in sales and gross profit is monitored on a daily and weekly basis.

Audit Committee

There is no Audit Committee due to BabySam's modest size and complexity.

Whistle-blower

The Board of Directors has discussed the need for a whistle-blower arrangement and assessed that this is not necessary at the moment.

Financial risks

At 30 September 2017, the Group had DKK 64.0 million in cash, including DKK 4.8 million which has been provided as security for various guarantees related to leasehold contracts.

The Group therefore has no direct major risks in the event that the lending rate increases. However, the Group is affected by the impact of any interest rate changes on the purchasing behaviour of its customers.

The cash resources are therefore in place for the continued operation and development of the individual business areas. Continued improved liquidity will be used to some extent to optimise the technological infrastructure and commercial platform to support the omnichannel strategy. The store structure will also continue to be a priority and BabySam will carry through relocations and open new stores as deemed necessary to improve earnings in each area.

CSR

Samba Feeder A/S has not laid down any policies for social responsibility, including human rights, environmental and reduced climate impacts of its activities.

During the period, BabySam has increased its focus on social responsibility. BabySam A/S has chosen to publish a more detailed social responsibility statement on the company's website. The statement is available at www.babysam.dk/politik2016-17.

Management's review

Policy concerning the underrepresented gender

Candidates for the Board of Directors of Samba Feeder A/S are assessed based on identical criteria – regardless of their gender. Candidates are first and foremost selected based on their qualifications, and the Board of Directors aims to make sure that both women and men who come forward as board candidates have equal opportunities.

All four members of the Board of Directors are men. There has been no change in the Board of Directors during the year. The 2018 target set for the gender composition of the Board of Directors is still 50/50, however have not been reached by now as no women have been assessed as being more capable than the current board members.

Being a holding company, the Company employs no day-to-day staff in addition to the Executive Board required by law. Accordingly, no staff policies, etc. have been laid down. If at some point in time the Company hires staff, staff policies will be laid down, including policies for management diversity, relevant activities will be carried out, and the results of these measures will be reported.

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Samba Feeder A/S for the financial year 1 October 2016 - 30 September 2017.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Company's financial position at 30 September 2017 and of the results of the Group's and the Company's operations and consolidated cash flows for the financial year 1 October 2016 - 30 September 2017.

Further, in our opinion, the Management's review gives a fair review of the development in the Group's and the Company's operations and financial matters and the results of the Group's and the Company's operations and financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 12 January 2018
Executive Board:

Niels-Christian Worning
CEO

Board of Directors:

Jan Johan Kühl Chairman	Niels-Christian Worning	Karl Tommy Wikström
Johan Gustaf Olof Bjurström		

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We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 12 January 2018
Executive Board:

Niels-Christian Worning
CEO

Board of Directors:

Jan Johan Kühl
Chairman

Niels-Christian Worning

Karl Tommy Wikström

Johan Gustaf Olof Bjurström

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Copenhagen, 12 January 2018
Executive Board:

Niels-Christian Worning
CEO

Board of Directors:

Jan Johan Kühl Chairman	Niels-Christian Worning	Karl Tommy Wikström

Johan Gustaf Olof Bjurström

Independent auditor's report

To the shareholders of Samba Feeder A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Samba Feeder A/S for the financial year 1 October 2016 - 30 September 2017, which comprise an income statement, balance sheet, statement of changes in equity and notes, including accounting policies, for both the Group and the Parent Company, as well as a consolidated cash flow statement. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the Group and the Parent Company at 30 September 2017 and of the results of the Group's and the Parent Company's operations as well as the consolidated cash flows for the financial year 1 October 2016 - 30 September 2017 in accordance with the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these rules and requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements and the parent company financial statements, Management is responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements unless Management either intends to liquidate the Group or the Parent Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements and the parent company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and parent company financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and the parent company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the consolidated financial statements and the parent company financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements and the parent company financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusion is based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the consolidated financial statements and the parent company financial statements, including the disclosures, and whether the consolidated financial statements and the parent company financial statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the consolidated financial statements and the parent company financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements and the parent company financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the consolidated financial statements or the parent company financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Independent auditor's report

Based on our procedures, we conclude that the Management's review is in accordance with the consolidated financial statements and the parent company financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Copenhagen, 12 January 2018
ERNST & YOUNG
Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Jens Thordahl Nøhr
State Authorised
Public Accountant

Kim Thomsen
State Authorised
Public Accountant

Consolidated financial statements and parent company financial statements for the period 1 October – 30 September

Income statement

Note	DKK'000	Consolidated		Parent company	
		2016/17	2015/16	2016/17	2015/16
3	Revenue	476,928	439,380	0	0
	Cost of goods sold	-276,279	-251,136	0	0
	Other operating income	125	69	0	0
	External costs	-72,446	-74,980	-211	-48
	Gross profit/loss	128,328	113,333	-211	-48
4	Staff costs	-101,647	-96,590	0	0
	Amortisation, depreciation and impairment losses	-7,000	-6,379	0	0
	Operating profit/loss	19,681	10,364	-211	-48
	Income from investments in subsidiaries and associates	0	-2	22,663	17,495
5	Financial income	228	279	0	0
6	Financial expenses	-701	-460	-2	0
	Profit/loss before tax	19,208	10,181	22,450	17,447
7	Tax on profit/loss for the year	13,036	14,481	129	105
	Profit for the year before non-controlling interests	32,244	24,662	22,579	17,552
	Non-controlling interests' share of subsidiaries	-9,665	-7,110	0	0
	Profit for the year	22,579	17,552	22,579	17,552

Consolidated financial statements and parent company financial statements for the period 1 October – 30 September

Balance sheet

		Consolidated		Parent company	
Note	DKK'000	2017	2016	2017	2016
	ASSETS				
	Non-current assets				
8	Intangible assets				
	Goodwill	660	912	0	0
	Rights and software	4,606	4,859	0	0
	Development projects completed	1,112	478	0	0
	Development projects in progress	336	383	0	0
		6,714	6,632	0	0
9	Property, plant and equipment				
	Land and buildings	9,256	9,537	0	0
	Plant and machinery	323	290	0	0
	Fixtures and fittings, tools and equipment	18,459	12,770	0	0
	Leasehold improvements	6,943	5,544	0	0
		34,981	28,141	0	0
	Investments				
10	Investments in subsidiaries	0	0	96,139	73,548
11	Investments in associates	26	26	0	0
	Other receivables	8,158	8,607	0	0
		8,184	8,633	96,139	73,548
	Total non-current assets	49,879	43,406	96,139	73,548
	Current assets				
	Inventories				
	Raw materials and consumables	1,520	2,126	0	0
	Work in progress	958	1,529	0	0
	Finished goods and goods for resale	80,113	74,502	0	0
	Prepayments for goods	786	787	0	0
		83,377	78,944	0	0
	Receivables				
	Trade receivables	9,861	6,841	0	0
	Amounts owed by group enterprises	0	0	273	215
	Amounts owed by associates	25	25	0	0
	Tax receivables	0	0	129	65
	Other receivables	1,302	1,549	2	0
	Prepayments	2,175	1,223	0	0
12	Deferred tax assets	32,702	19,668	0	0
		46,065	29,306	404	280
	Cash at bank and in hand	63,986	53,264	1,459	1,592
	Total current assets	193,428	161,514	1,863	1,872
	TOTAL ASSETS	243,307	204,920	98,002	75,420

Consolidated financial statements and parent company financial statements for the period 1 October – 30 September

Balance sheet

Note	DKK'000	Consolidated 2017	Consolidated 2016	Parent company 2017	Parent company 2016
	EQUITY AND LIABILITIES				
	Equity				
13	Share capital	2,890	2,890	2,890	2,890
	Retained earnings	95,062	72,483	95,062	72,483
	Equity attributable to equity holders of Samba Feeder A/S	97,952	75,373	97,952	75,373
	Non-controlling interests	41,755	32,162	0	0
	Total equity	139,707	107,535	97,952	75,373
	Provisions				
	Other provisions	113	175	0	0
	Total provisions	113	175	0	0
	Liabilities other than provisions				
14	Non-current liabilities other than provisions				
	Mortgage loans	2,214	2,559	0	0
		2,214	2,559	0	0
	Current liabilities other than provisions				
	Current portion of non-current liabilities other than provisions	348	343	0	0
	Prepayments received from customers	7,316	8,927	0	0
	Trade payables	65,034	58,988	50	47
	Other payables	28,575	26,393	0	0
		101,273	94,651	50	47
	Total liabilities other than provisions	103,487	97,210	50	47
	TOTAL EQUITY AND LIABILITIES	243,307	204,920	98,002	75,420

1 Accounting policies
2 Special items
15 Contractual obligations and contingencies, etc.
16 Mortgages and collateral
17 Related party disclosures
18 Fee paid to auditors appointed at the annual general meeting

Consolidated financial statements and parent company financial statements for the period 1 October – 30 September

Statement of changes in equity

Note	DKK'000	Group: Share capital	Retained earnings	Total	Non-controlling interests	Total equity
	Equity at 1 October 2015	2,890	56,167	59,057	23,141	82,198
	Transfer, see "Appropriation of profit/loss"	0	17,552	17,552	7,110	24,662
	Dilution from non-controlling interests in investments	0	-1,236	-1,236	1,236	0
	Capital increase in group enterprise	0	0	0	650	650
	Proceeds from issued warrants in group enterprises	0	0	0	25	25
	Equity at 1 October 2016	2,890	72,483	75,373	32,162	107,535
	Profit for the year	0	22,579	22,579	9,665	32,244
	Disposal of subsidiary	0	0	0	-72	-72
	Equity at 30 September 2017	2,890	95,062	97,952	41,755	139,707

Note	DKK'000	Parent company: Share capital	Net revaluation according to the equity method	Retained earnings	Total
	Equity at 1 October 2015	2,890	0	56,167	59,057
	Transferred, see distribution of loss	0	0	17,552	17,552
	Dilution from non-controlling interests in investments	0	0	-1,236	-1,236
	Equity at 1 October 2016	2,890	0	72,483	75,373
	Net revaluation according to the equity method due to disposal of subsidiary	0	55,276	-55,276	0
19	Transferred, see profit appropriation	0	22,663	-84	22,579
	Equity at 30 September 2017	2,890	77,939	17,123	97,952

Consolidated financial statements and parent company financial statements for the period 1 October – 30 September

Cash flow statement

Note	DKK'000	Consolidated 2016/17	Consolidated 2015/16
	Revenue	476,928	439,380
	Costs	-450,447	-422,706
	Other operating income	125	69
	Cash flows from operating activities before changes in working capital	26,606	16,743
20	Changes in working capital	-1,540	12,348
21	Adjustment for non-cash items	-60	-233
	Cash generated from operating activities	25,006	28,858
	Interest received	228	279
	Interest paid	-701	-460
	Cash flows from operating activities	24,533	28,677
	Acquisition of intangible assets and property, plant and equipment	-13,920	-12,125
	Disposal of intangible assets and property, plant and equipment	0	14
	Change in long-term other receivables (deposits)	449	-3,011
	Cash flows from investing activities	-13,471	-15,122
	External financing:		
	Repayment of debt to credit institutions	-340	-317
	Capital increase, including proceeds from issue of warrants	0	675
	Cash flows from financing activities	-340	358
	Net cash flows from operating, investing and financing activities	10,722	13,913
	Cash and cash equivalents at 1 October	53,264	39,351
	Cash and cash equivalents at 31 September	63,986	53,264

The cash flow statement cannot be directly derived from the other components of the consolidated financial statements and the parent company financial statements.

Consolidated financial statements and parent company financial statements for the period 1 October – 30 September

Notes to the financial statements

1 Accounting policies

The annual report of Samba Feeder A/S for 2016/17 has been prepared in accordance with the provisions applying to reporting class C large enterprises under the Danish Financial Statements Act.

Effective 1 January 2016, the Group has adopted act no. 738 of 1 June 2015. This implies that in future, residual values of property, plant and equipment are subject to annual reassessment. The group has no significant residual values relating to property, plant and equipment other than those relating to the Company's land. Consequently, the change is made in accordance with section 4 of the executive order on transitional provisions with future effect only as a change in accounting estimates with no impact on equity.

Apart from the above changes as well as new and changed presentation and disclosure requirements, which follow from act no. 738 of 1 June 2015, the accounting policies used in the preparation of the consolidated financial statements and the parent company financial statements are consistent with those of last year.

Consolidated financial statements

The consolidated financial statements comprise the parent company, Samba Feeder A/S, and subsidiaries in which Samba Feeder A/S directly or indirectly holds more than 50% of the voting rights or which it, in some other way, controls. Enterprises in which the Group holds between 20% and 50% of the voting rights and over which it exercises significant influence, but which it does not control, are considered associates, see the group chart.

On consolidation, intra-group income and expenses, shareholdings, intra-group balances and dividends, and realised and unrealised gains and losses on intra-group transactions are eliminated.

Investments in subsidiaries are set off against the proportionate share of the subsidiaries' fair value of net assets or liabilities at the acquisition date.

Business combinations

Enterprises acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Enterprises disposed of are recognised in the consolidated income statement until the date of disposal. The comparative figures are not adjusted for acquisitions or disposals.

Gains and losses on disposal of subsidiaries and associates are stated as the difference between the sales amount and the carrying amount of net assets at the date of disposal plus non-amortised goodwill and anticipated disposal costs.

Acquisitions of enterprises are accounted for using the acquisition method, according to which the identifiable assets and liabilities acquired are measured at their fair values at the date of acquisition. Provision is made for costs related to adopted and announced plans to restructure the acquired enterprise in connection with the acquisition. The tax effect of the restatement of assets and liabilities is taken into account.

Any excess of the cost over the fair value of the identifiable assets and liabilities acquired (goodwill), including restructuring provisions, is recognised as intangible assets and amortised on a systematic basis in the income statement based on an individual assessment of the useful life of the asset, not exceeding 20 years. Any excess of the fair values of the identifiable assets and liabilities acquired over the cost of the acquisition (negative goodwill), representing an anticipated adverse development in the acquired enterprises, is recognised in the balance sheet as deferred income and recognised in the income statement as the adverse development is realised. Negative goodwill not related to any anticipated adverse development is recognised in the balance sheet at an amount corresponding to the fair value of non-monetary assets. The amount is subsequently recognised in the income statement over the average useful lives of the non-monetary assets.

Consolidated financial statements and parent company financial statements for the period 1 October – 30 September

Notes to the financial statements

1 Accounting policies (continued)

Goodwill and negative goodwill from acquired enterprises can be adjusted until the end of the year following the year of acquisition.

Intra-group business combinations

In connection with business combinations such as acquisition and disposal of equity investments, mergers, demergers, addition of assets and exchange of shares, etc., involving enterprises controlled by the parent company, the uniting-of-interests method is used. Differences between the agreed consideration and the carrying amount of the acquired enterprise are recognised in equity. Moreover, comparative figures for previous financial years are restated.

Non-controlling interests

In the consolidated financial statements, the items of subsidiaries are recognised in full. The non-controlling interests' proportionate shares of the subsidiaries' results and equity are adjusted annually and recognised separately in the income statement and balance sheet.

Foreign currency translation

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and at the date of payment are recognised in the income statement as financial income or financial expenses.

Income statement

Revenue

Income from the sale of goods and finished goods is recognised in revenue at the time of delivery and when the risk passes to the buyer, provided that the income can be made up reliably and is expected to be received.

Revenue is measured net of all types of discounts/rebates granted. Also, revenue is measured net of VAT and other indirect taxes charged on behalf of third parties.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other operating income and expenses

Other operating income and operating expenses comprise items of a secondary nature relative to the entities' core activities, including gains or losses on the disposal of intangible assets and property, plant and equipment.

Other external costs

Other external expenses include the year's expenses relating to the entity's core activities, including expenses relating to distribution, sale, advertising, administration, premises, bad debts, payments under operating leases, etc.

Consolidated financial statements and parent company financial statements for the period 1 October – 30 September

Notes to the financial statements

1 Accounting policies (continued)

Staff costs

Staff costs include wages and salaries, including compensated absence and pensions, as well as other social security contributions, etc. made to the Group's employees. The item is net of refunds made by public authorities.

Profits/losses from investments in subsidiaries and associates

The proportionate share of the results after tax of the individual subsidiaries and associates is recognised in the income statement of the parent company after full elimination of intra-group profits/losses.

The proportionate share of the results after tax of the associates is recognised in both the consolidated income statement and the parent company income statement after elimination of the proportionate share of intra-group profits/losses.

Financial income and expenses

Financial income and expenses comprise interest income and expense, realised and unrealised gains and losses as well as surcharges and refunds under the on-account tax scheme, etc.

Tax on profit/loss for the year

Tax for the year includes current tax on the year's expected taxable income and the year's deferred tax adjustments. The portion of the tax for the year that relates to the profit/loss for the year is recognised in the income statement, whereas the portion that relates to transactions taken to equity is recognised in equity.

The entity and its Danish group entities are taxed on a joint basis. The Danish income tax charge is allocated between profit-making and loss-making Danish entities in proportion to their taxable income (full allocation method).

Jointly taxed companies entitled to a tax refund are, as a minimum, reimbursed by the management company according to the current rates applicable to interest allowances, and jointly taxed companies having paid too little tax pay, as a maximum, a surcharge according to the current rates applicable to interest surcharges to the management company.

Balance sheet

Intangible assets

Intangible assets include goodwill, rights and software as well as development projects.

Intangible assets are measured at cost less accumulated amortisation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use. Development costs comprise expenses, salaries and amortisation directly or indirectly attributable to development activities.

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or development opportunities are evidenced, and where the Group intends to produce, market or use the project, are recognised as intangible assets provided that the cost can be measured reliably and that there is sufficient assurance that future earnings can cover production costs, selling costs and administrative expenses and development costs. Other development costs are recognised in the income statement when incurred.

Consolidated financial statements and parent company financial statements for the period 1 October – 30 September

Notes to the financial statements

1 Accounting policies (continued)

Amortisation is calculated based on the residual value of the asset and is reduced by impairment losses, if any. The amortisation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further amortisation charges are recognised.

The cost for intangible assets is amortised over the expected useful life.

The estimated useful lives for intangible assets are as follows:

Goodwill	5 years
Rights and software	7 years
Development projects	5 years

The amortisation period for acquired IP rights is 7 years. The investment horizon of the Group's IT system, including software, is 7 years, and an amortisation period of 5 years is therefore not considered fair.

Gains or losses on the sale of intangible assets are recognised in the income statement under 'Other operating income' or 'Other operating expenses', respectively. Gains and losses are determined as the difference between the selling price less selling costs and the carrying amount at the time of sale.

Property, plant and equipment

Property, plant and equipment comprise land and buildings, plant and machinery and fixtures and fittings, tools and equipment and leasehold improvements.

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any costs directly attributable to the acquisition until the date when the asset is available for use.

Amortisation is calculated based on the residual value of the asset and is reduced by impairment losses, if any. The amortisation period and the residual value are determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further amortisation charges are recognised.

Property, plant and equipment are depreciated on a straight-line basis over the expected useful life of each individual asset. The depreciation basis is the cost and less expected residual value.

The expected useful lives of the assets are as follows:

Buildings	50 years
Plant and machinery	5 years
Leasehold improvements	10 years
Fixtures and fittings, tools and equipment	3-10 years

In case of changes in the amortisation period or the residual value, the effect on the amortisation charges is recognised prospectively as a change in accounting estimates.

Gains or losses arising from the sale of items of property, plant and equipment are recognised in the income statement under 'Other operating income' or 'Other operating expenses', respectively. Gains and losses are determined as the difference between the selling price less selling costs and the carrying amount at the time of sale.

Investments in subsidiaries and associates

Investments in subsidiaries and associates are measured under the equity method.

Consolidated financial statements and parent company financial statements for the period 1 October – 30 September

Notes to the financial statements

1 Accounting policies (continued)

Investments in subsidiaries and associates are measured at the proportionate share of the enterprises' net asset values calculated in accordance with the Group's accounting policies minus or plus unrealised intra-group profits and losses and plus or minus any residual value of positive or negative goodwill determined in accordance with the acquisition method.

Investments in subsidiaries and associates with negative net asset values are measured at DKK 0 (nil), and any amounts owed by such enterprises are written down if the amount owed is irrecoverable. If the parent company has a legal or constructive obligation to cover a deficit that exceeds the amount owed, the remaining amount is recognised under provisions.

Net revaluation of investments in subsidiaries and associates is recognised in the reserve for net revaluation in equity under the equity method to the extent that the carrying amount exceeds cost. Dividends from subsidiaries which are expected to be adopted before the approval of the annual report of Samba Feeder A/S are not recognised in the reserve for net revaluation.

On acquisition of subsidiaries, the acquisition method is applied; see Consolidated financial statements above.

Impairment of non-current assets

The carrying amount of intangible assets and property, plant and equipment as well as investments in subsidiaries and associates is subject to an annual test for indications of impairment other than the decrease in value reflected by depreciation or amortisation.

Impairment tests are conducted of individual assets or groups of assets when there is an indication that they may be impaired. Write-down is made to the recoverable amount if this is lower than the carrying amount.

The recoverable amount is the higher of an asset's net selling price and its value in use. The value in use is determined as the present value of the expected net cash flows from the use of the asset or the group of assets and expected net cash flows from the disposal of the asset or the group of assets after the end of the useful life.

Leases

Leases in respect of which the entity does not bear all significant risks and enjoy all significant benefits associated with the title to the assets are considered operating leases. Payments under operating leases are recognised in the income statement over the term of the lease.

Inventories

Inventories are measured at cost in accordance with the FIFO method. Where the net realisable value is lower than cost, inventories are written down to this lower value.

Goods for resale and raw materials and consumables are measured at cost, comprising purchase price plus delivery costs.

Finished goods and work in progress are measured at cost, comprising the cost of raw materials, consumables, direct wages and salaries and indirect production overheads. Indirect production overheads comprise indirect materials and wages and salaries as well as maintenance and depreciation of production machinery, buildings and equipment as well as factory administration and management. Borrowing costs are not included in cost.

The net realisable value of inventories is calculated as the sales amount less costs of completion and costs necessary to make the sale and is determined taking into account marketability, obsolescence and development in expected selling price.

Consolidated financial statements and parent company financial statements for the period 1 October – 30 September

Notes to the financial statements

1 Accounting policies (continued)

Receivables

Receivables are measured at amortised cost.

Write-down is made for bad debt losses where there is an objective indication that a receivable or a receivable portfolio has been impaired.

Write-downs are calculated as the difference between the carrying amount of receivables and the present value of the expected cash flows, including the realisable value of any collateral received. The effective interest rate for the individual receivable or portfolio is used as discount rate.

Prepayments

Prepayments comprise costs incurred concerning subsequent financial years.

Cash at bank and in hand

Cash at bank and in hand comprise cash balances and deposits with banks.

Equity - dividends

Proposed dividends are recognised as a liability at the date when they are adopted at the annual general meeting (declaration date). The expected dividend payment for the year is disclosed as a separate item under equity.

Reserve for net revaluation according to the equity method

Net revaluation of investments in subsidiaries and associates is recognised at cost in the reserve for net revaluation according to the equity method.

The reserve may be eliminated in case of losses, realisation of investments or a change in accounting estimates.

The reserve cannot be recognised at a negative amount.

Provisions

Provisions comprise anticipated costs related to warranties.

Warranties comprise obligations to make good any defects within the warranty period of one to five years. Provisions for warranties are measured at net realisable value and recognised based on past experience.

The provision is recognised in costs of goods sold.

Corporation tax and deferred tax

Samba Feeder A/S is the administrative company for the joint taxation with group companies.

Current tax payable and receivable is recognised in the balance sheet as tax computed on the taxable income for the year, adjusted for tax on the taxable income of prior years and for tax paid on account. Joint taxation contribution receivable and payable is recognised in the balance sheet as "Corporation tax receivable" or "Corporation tax payable", respectively.

Consolidated financial statements and parent company financial statements for the period 1 October – 30 September

Notes to the financial statements

1 Accounting policies (continued)

Deferred tax is measured using the balance sheet liability method on all temporary differences between the carrying amount and the tax value of assets and liabilities. However, deferred tax is not recognised on temporary differences relating to goodwill which is not deductible for tax purposes and on office premises and other items where temporary differences, apart from business combinations, arise at the date of acquisition without affecting either profit/loss for the year or taxable income. Where different tax rules can be applied to determine the tax base, deferred tax is measured based on Management's planned use of the asset or settlement of the liability, respectively.

Deferred tax assets, including the tax value of tax loss carryforwards, are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity and jurisdiction.

Adjustment is made to deferred tax resulting from elimination of unrealised intra-group profits and losses.

Deferred tax is measured in accordance with the tax rules and at the tax rates applicable in the respective countries at the balance sheet date when the deferred tax is expected to crystallise as current tax.

Prepayments received from customers

Prepayments received from customers comprise deposits, prepayments and payable gift vouchers.

Prepayments received from customers are recognised at cost. Commitments relating to gift vouchers are recognised in revenue as they are used or expire.

Liabilities

Liabilities are measured at net realisable value

Cash flow statement

The cash flow statement shows the Group's cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as the Group's cash and cash equivalents at the beginning and end of the year.

Cash flows from operating activities

Cash flows from operating activities are calculated as the Group's share of the profit/loss adjusted for non-cash operating items, changes in working capital and corporation tax paid.

Cash flows from investing activities

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of enterprises and activities and of intangible assets, property, plant and equipment and investments.

Cash flows from financing activities

Cash flows from financing activities comprise changes in the size or composition of the Group's share capital and related costs as well as the raising of loans, repayment of interest-bearing debt and payment of dividends to shareholders.

Consolidated financial statements and parent company financial statements for the period 1 October – 30 September

Notes to the financial statements

1 Accounting policies (continued)

Financial ratios

Financial ratios are calculated in accordance with the Danish Finance Society's guidelines on the calculation of financial ratios "Recommendations and Financial Ratios 2015".

The financial ratios stated in the survey of financial highlights have been calculated as follows:

Operating margin	$\frac{\text{Operating profit x 100}}{\text{Revenue}}$
Gross margin	$\frac{\text{Gross profit x 100}}{\text{Revenue}}$
Solvency ratio	$\frac{\text{Equity at year end x 100}}{\text{Total equity and liabilities at year end}}$
Return on equity	$\frac{\text{Profit from ordinary activities after tax x 100}}{\text{Average equity}}$

Normalized EBITDA

Normalized EBITDA, as disclosed in the Management's review, comprise operating profit before amortisation, depreciation and impairment losses amortization and adjusted for special items.

Special items

Special items comprise significant income and expenses of a special nature relative to the Group's revenue generating operating activities such as costs of comprehensive structuring of processes and basic structural adjustments as well as any disposal gains and losses relating thereto and which over time are of significant importance. Special items also comprise significant one-off items which in the opinion of Management do not form part of the Group's operating activities.

2 Special items

As disclosed in the Management's review, the profit for the year is affected by several matters that in the opinion of the Board of Directors do not form part of the operating activities.

Special items for the year are specified below just as are the items under which they are recognised in the income statement.

	Group		Parent	
DKK'000	2016/17	2015/16	2016/17	2015/16
Income				
Reversal of write-down on deferred tax assets	13,034	14,713	0	0
Expenses				
strengthening of BabySam's management and store structure	-3,772	-5,400	0	0
	9,262	9,313	0	0
Special items are recognised in the below financial statement items				
External costs	-3,772	-5,400	0	0
Tax on profit for the year	13,034	14,713	0	0
Profit from special items	9,262	9,313	0	0

Consolidated financial statements and parent company financial statements for the period 1 October – 30 September

Notes to the financial statements

3 Revenue

Information regarding the distribution of revenue on geographical segments and business segments are not included, cf. Section 96 (1) of the Danish Financial Statements Act, as the Group's revenue is generated in full in Denmark and within the same segment (sale and rent of baby equipment and sale of products for mother and child).

	Consolidated		Parent company	
DKK'000	2016/17	2015/16	2016/17	2015/16
4 Staff costs				
Wages and salaries	91,407	87,400	0	0
Pensions	6,913	6,549	0	0
Other social security costs	3,143	2,588	0	0
Other staff expenses	184	53	0	0
	101,647	96,590	0	0
Average number of full-time employees	270	259	0	0

The Executive Board and the Board of Directors have not received any remuneration (2015/16: DKK 0).

	Consolidated		Parent company	
DKK'000	2016/17	2015/16	2016/17	2015/16
5 Financial income				
Foreign exchange gains	228	170	0	0
Other financial income	0	109	0	0
	228	279	0	0
6 Financial expenses				
Mortgage interests	67	115	0	0
Foreign exchange losses	283	226	0	0
Other interest expense	351	119	2	0
	701	460	2	0
7 Tax on the profit/loss for the year				
Current tax for the year	0	0	129	65
Adjustment of deferred tax	-13,034	-14,713	0	0
Adjustment of current taxes prior years	-2	232	0	40
	-13,036	-14,481	129	105

Consolidated financial statements and parent company financial statements for the period 1 October – 30 September

Notes to the financial statements

8 Intangible assets

DKK'000	Goodwill	Rights and software	Development projects completed	Development in progress	Total
	Consolidated				
Cost at 1 October 2016	531,099	21,646	2,445	384	555,574
Additions during the year	0	1,244	677	197	2,118
Transfer	0	0	245	-245	0
Cost at 30 September 2017	531,099	22,890	3,367	336	557,692
Impairment losses and amortisation at 1 October 2016	530,187	16,787	1,968	0	548,942
Amortisation	252	1,497	287	0	2,036
Impairment losses and amortisation at 30 September 2017	530,439	18,284	2,255	0	550,978
Carrying amount at 30 September 2017	660	4,606	1,112	336	6,714

9 Property, plant and equipment

DKK'000	Land and buildings	Plant and machinery	Fixtures and fittings, tools and equipment	Leasehold improvements	Total
	Consolidated				
Cost at 1 October 2016	16,360	7,126	64,451	17,500	105,437
Additions during the year	0	118	9,295	2,389	11,802
Cost at 30 September 2017	16,360	7,244	73,746	19,889	117,239
Impairment losses and depreciation at 1 October 2016	6,821	6,836	51,681	11,956	77,294
Depreciation	283	85	3,606	990	4,964
Impairment losses and depreciation at 30 September 2017	7,104	6,921	55,287	12,946	82,258
Carrying amount at 30 September 2017	9,256	323	18,459	6,943	34,981

DKK'000	Parent company 2016/17	2015/16
10 Investments in subsidiaries		
Cost at 1 October	302,450	302,450
Disposal	-284,250	0
Cost at 30 September	18,200	302,450
Value adjustments at 1 October	-228,902	-245,161
Disposal	284,178	0
Profit for the year in subsidiaries	22,663	17,495
Dilution due to changes in ownership interests in group enterprise	0	-1,236
Value adjustments at 30 September	77,939	-228,902
Carrying amount at 30 September	96,139	73,548

Consolidated financial statements and parent company financial statements for the period 1 October – 30 September

Notes to the financial statements

Name and registered office	Ownership	Equity	Profit/loss for the year	Carrying amount
		DKK'000	DKK'000	DKK'000
BaSa Holding A/S, Co. BabySam A/S, Rødovre	70.2%	140,133	32,436	96,139

In the carrying amount, internal profit on the sale of BabySam A/S to BaSa Holding A/S has been adjusted by DKK 2,239 thousand.

Furthermore, elimination of unrealised internal profit on inventory has been adjusted.

11 Investments in associates

	Consolidated	
DKK'000	2016/17	2015/16
Cost at 1 October	26	26
Cost at 30 September	26	26
Value adjustment at 1 October	0	2
Loss for the year in associates	0	-2
Value adjustment at 30 September	0	0
Carrying amount at 30 September	26	26

Name and registered office	Ownership	Equity	Profit/loss for the year	Carrying amount
		DKK'000	DKK'000	DKK'000
Nordic Baby Group AB, Sweden	25%	104	2	26

	Consolidated		Parent company	
DKK'000	2016/17	2015/16	2016/17	2015/16
12 Deferred tax				
Deferred tax at 1 October	19,668	4,954	0	0
Adjustment of deferred tax	13,034	14,714	0	0
Deferred tax at 30 September	32.702	19,668	0	0
Deferred tax relates to:				
Intangible assets	8,025	11,089	0	0
Property, plant and equipment	7,621	7,755	0	0
Current assets	1,062	0,404	0	0
Tax loss carry forward	16,627	18,444	586	689
Write-down of deferred tax assets	-633	-18,024	-586	-689
Deferred tax at 30 September	32,702	19,668	0	0

At 30 September 2017, the Group has recognised tax assets of DKK 32,702 thousand (2015/16: 19,668 thousand). Based on budgets and forecasts until 2021/22, Management has assessed that the recognised deferred tax assets can be offset against tax on future earnings within 5 years.

Consolidated financial statements and parent company financial statements for the period 1 October – 30 September

Notes to the financial statements

13 Share capital

The share capital comprises 2,890,000 shares of DKK 1.00 each. No shares carry special rights.

The recent 5-years changes in the share capital are specified as follows:

	Parent company				
DKK'000	2016/17	2015/16	2014/15	2013/14	2012/13
Share capital at 1 October	2,890	2,890	2,890	2,890	2,708
Capital increase	0	0	0	0	182
Share capital at 30 September	2,890	2,890	2,890	2,890	2,890

Liquidation and distribution preference

In case of liquidation of BaSa Holding A/S, a capital reduction or another type of distribution, the A shareholders in BaSa Holding A/S are entitled to a priority dividend distribution of up to a predetermined amount.

In addition to the priority distribution, all distributions must be proportionate between the A and the B shareholders in BaSa Holding A/S based on a mutual agreement.

14 Non-current liabilities other than provisions

	Group			
DKK'000	Total liabilities 30/9 2017	Repayment next year	Non-current portion	Outstanding debt after 5 years
Debt to credit institutions	2.562	348	2.214	819

15 Contractual obligations and contingencies, etc.

The parent company is jointly taxed with the Danish subsidiaries. As the administrative company, together with the subsidiaries, the Company has joint and several unlimited liability for Danish corporation taxes and withholding taxes in the joint taxation unit as of and for the income year 2013.

Other contractual obligations

	Consolidated		Parent company	
DKK'000	2016/17	2015/16	2016/17	2015/16
Rent and lease obligations	121,562	77,968	0	0

Consolidated financial statements and parent company financial statements for the period 1 October – 30 September

Notes to the financial statements

15 Contractual obligations and contingencies, etc. (continued)

Rent and lease obligations include rent obligations totalling DKK 118,672 thousand (2015/16: 76,394 thousand) in non-cancellable tenancy agreements with remaining contract periods of up to 8 years. Furthermore, obligations relating to operating lease commitments for cars total DKK 2,890 with remaining contract periods of up to 5 years.

Contingent asset

The Group has an unrecognised deferred tax asset of DKK 633 thousand (2015/16: DKK 18,024 thousand), which relates to tax losses.

The parent company has an unrecognised deferred tax asset of DKK 586 thousand (2015/16: DKK 689 thousand), which relates to tax losses.

16 Mortgages and collateral

Land and buildings with a carrying amount of DKK 9,256 thousand at 30 September 2017 (2015/16: DKK 9,537 thousand) have been provided as collateral for mortgages and bank loans of DKK 2,562 thousand (2015/16: DKK 2,902 thousand).

Bank guarantees totalling DKK 4,791 thousand (2015/16: DKK 4,265 thousand) have been provided as collateral for rent liabilities, etc.

At 30 September 2017, receivables, inventories and property, plant and equipment of DKK 8,500 thousand (2015/16: cash at bank and in hand of 5,150 thousand) was provided as collateral for bank guarantees.

17 Related party disclosures

Samba Feeder A/S' related parties comprise the following:

Parties exercising control

P-BS 2008 A/S, Copenhagen, which holds 50% of the share capital
Golden Eye A/S, Copenhagen, which holds 50% of the share capital.

Related parties transactions

Samba Feeder A/S has not had transactions with related parties in 2016/17 except for joint taxation contributions.

18 Fees paid to auditors appointed at the annual general meeting

	Consolidated		Parent company	
DKK'000	2016/17	2015/16	2016/17	2015/16
Fee regarding statutory audit	266	263	22	22
Tax assistance	27	29	6	6
Other assistance	444	39	147	11
	737	331	175	39

Consolidated financial statements and parent company financial statements for the period 1 October – 30 September

Notes to the financial statements

DKK'000	Parent 2016/17	Parent 2015/16
19 Appropriation of profit/loss		
Recommended appropriation of profit/loss		
Profit for the year	-84	17,552
Net revaluation of subsidiaries according to the equity method	22,663	0
	22,579	17,552

DKK'000	Consolidated 2016/17	Consolidated 2015/16
20 Changes in working capital		
Change in inventories	-4,433	-788
Change in receivables	-3,725	467
Change in prepayments and trade and other payables	6,618	12,669
	-1,540	12,348
21 Adjustment for non-cash items		
Adjustment of current taxes prior years	2	-233
Change in provisions	-62	0
Gains/losses on sale of non-current assets	0	0
	-60	-233